

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 SEC-01 SP-02 ICA-20 AID-05 EB-08
NSC-05 TRSE-00 SS-15 STR-07 OMB-01 CEA-01 CIAE-00
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E.O. 11652: N/A
TAGS: ECON, EAIR, CFRD, BF, US
SUBJECT: INTERCONTINENTAL DIVERSIFIED CORPORATION (ICD)
DEVELOPMENTS

REF A. NASSAU 67 B. NASSAU 1319

1. LOCAL PRESS IN NEWS COVERAGE OF WALL STREET JOURNAL
ARTICLE OF AUG 8 ON ICD HAS CONFIRMED THAT WALLACE
GROVES, AGED 76, THE AMERICAN MILLIONAIRE AND FOUNDER
OF FREEPORT, GRAND BAHAMA, HAS SOLD HIS ICD HOLDINGS
FOR APPROXIMATELY \$33 MILLION (1,032,831 SHARES AT
\$32 PER SHARE) TO JACK HAYWARD, CHAIRMAN OF GRAND
BAHAMA DEVELOPMENT COMPANY (DEVCO), AN ICD SUBSIDIARY.
THIS SALE REPORTEDLY GIVES HAYWARD, AN ENGLISHMAN,
A 40 0/0 HOLDING IN ICD, MAKING HIM THE MAJORITY SHAREHOLDER
(GROVES' SHARES WERE HELD IN HIS WIFE'S NAME - MRS. GEORGETTE
GROVES).

2. LOCAL PRESS FURTHER COMMENTS THAT AT END 1977 ICD'S
ASSETS IN GRAND BAHAMA WERE ESTIMATED TO HAVE BOOK
VALUE OF \$68 MILLION. IN FEB 1977 ICD ANNOUNCED
IT WANTED TO SELL ITS BAHAMIAN INTERESTS. BUT THREE
WEEKS LATER ICD ANNOUNCED IT HAD ABANDONED ITS PLANS
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FOLLOWING COMMUNICATIONS FROM THE STAFF OF THE
SECURITIES AND EXCHANGE COMMISSION. REF B).

3. COMMENT: WHILE FREEPORT HAS YET TO RECOVER ECONOMICALLY
FROM THE PM'S FAMOUS "BEND OR BREAK" SPEECH OF
1970, OPTIMISM ON AN ACCELERATED RECOVERY OF
THE DEPRESSED FREEPORT ECONOMY CONTINUES AT AN

ALL TIME HIGH. THIS OPTIMISM IS REFLECTED
PRINCIPALLY IN THE UP-SWING IN FREEPORT'S TOURISM
STATISTICS FOR THE FIRST HALF OF 1978 WHICH SHOW
THAT NUMBER OF VISITORS TO GRAND BAHAMA FOR THESE
SIX MONTHS ROSE FROM 188,620 FOR THE SAME PERIOD
IN 1977, TO 256,230 IN 1978, A 35.8 0/0 INCREASE.
OF THAT TOTAL, 33,610 ARRIVED BY BOAT AND 222,610
BY AIR, A 27.5 0/0 INCREASE. THE MAJOR DEVELOPMENT
ACTIVITY OF ICD FOR 1978 IS CONTINUATION OF
FURTHER EXPANSION OF FREEPORT INTERNATIONAL AIRPORT
TO ACCOMMODATE ADDITIONAL U.S. AND EUROPEAN AIRLINES
AND THE LARGER VOLUME OF TOURISTS ARRIVING IN 1978.
SCHWARTZ

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